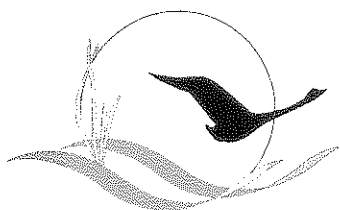
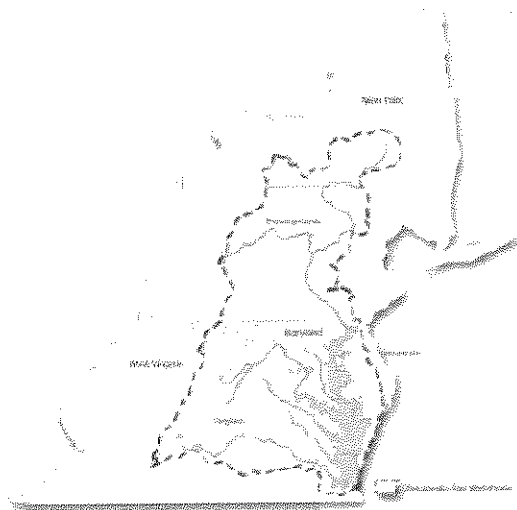


**U.S. ENVIRONMENTAL PROTECTION AGENCY  
CHESAPEAKE BAY PROGRAM  
GRANT AND COOPERATIVE AGREEMENT GUIDANCE**



**Chesapeake Bay Program**  
*A Watershed Partnership*

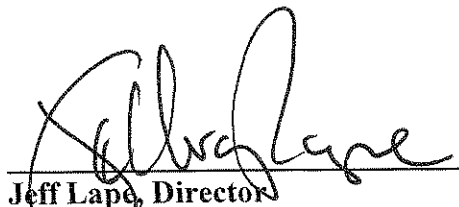
**January 2008**  
Updates to this Guidance are indicated in "**bold**"

**U.S. Environmental Protection Agency  
Chesapeake Bay Program  
Grant and Cooperative Agreement Guidance**

**The attached guidance -- the Chesapeake Bay Program Grant and Cooperative Agreement Guidance -- dated January 2008 is hereby issued pursuant to EPA Delegation No. 2-46 Chesapeake Bay Program, which delegates the Director of the Chesapeake Bay Program the Authority to promulgate Agency Guidance for grants issued under Clean Water Act Section 117.**

1-17-08

Date

  
\_\_\_\_\_  
Jeff Lape, Director  
Chesapeake Bay Program Office

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## FOREWORD

This guidance represents the way that the U.S. EPA, Region III's Chesapeake Bay Program Office (CBPO) administers funds to focus on the restoration and protection of the Chesapeake Bay. The purpose of this guidance is to present organizations with the best possible information needed to apply for funding. It provides a sound framework to attain successful assistance agreements that work toward achieving the goals set forth in the first Chesapeake Bay Agreement in 1983 and subsequent agreements. This guidance will be revised and redistributed periodically, as legislative, regulatory, or other changes need to be incorporated.

**Some changes are being made to this guidance based on new Agency policies and Program direction. These changes are "bolded" for easier interpretation. If you should have any questions regarding the new changes, please contact your Project Officer.**

## THE CHESAPEAKE BAY PROGRAM: AN OVERVIEW

The Chesapeake Bay Program (CBP) is a unique regional partnership that has been directing and conducting the restoration of the Chesapeake Bay since the signing of the historic 1983 Chesapeake Bay Agreement. Considered a national and international model for estuarine research and restoration programs, **the Bay Program is led by the Chesapeake Executive Council -- the governors of Maryland, Virginia and Pennsylvania; the mayor of the District of Columbia;** the administrator of the U.S. Environmental Protection Agency, and the **chair** of the Chesapeake Bay Commission, a tri-state legislative body. The Executive Council meets annually to establish the policy direction for the Bay and its living resources in implementing the Chesapeake Bay agreements.

As the largest estuary in the United States and one of the most productive in the world, the Chesapeake was this nation's first estuary targeted for restoration and protection. In the late 1970s, a congressionally funded \$27 million five-year study was conducted when scientists began to observe the loss of living resources, and the public became concerned about environmental degradation in general. The study identified the main source of the Bay's degradation as an oversupply of nutrients entering the Bay, and advocated programs that would limit nutrient loadings from point sources such as wastewater treatment plants and non-point sources such as fertilizers running off farmland. The study pinpointed three areas requiring immediate attention: nutrient over-enrichment, dwindling underwater Bay grasses and toxic pollution. Once the initial research was completed, the Bay Program evolved as the means to restore this exceptionally valuable resource.

The term "Chesapeake Bay Agreement" means the formal, voluntary agreements executed to achieve the goal of restoring and protecting the Chesapeake Bay ecosystem and **its living resources** and signed by the Chesapeake Executive Council. The following is an overview of the history of the Bay Program.

**The original Chesapeake Bay Agreement, a simple, one-page document pledging the partners to work together to restore the Chesapeake Bay, was signed in 1983 by the group that later became known as the Chesapeake Executive Council.**

In the 1987 Chesapeake Bay Agreement, the Executive Council set a goal to reduce the **nutrients entering the Bay by 40% by the year 2000**. Achieving **this** nutrient reduction **goal** would ultimately improve the oxygen levels in Bay waters and encourage aquatic life to flourish. The Chesapeake Bay Program Office, **established** by the EPA, was first authorized under the Clean Water Act in 1987.

**In 1992, the Chesapeake Executive Council** agreed to maintain the 40% **reduction** goal beyond the year 2000 and to attack nutrients at their source - upstream in the Bay's tributaries. As a result, Pennsylvania, Maryland, Virginia, and the District of Columbia began developing tributary strategies to achieve the nutrient reduction targets.

**In 1994, the Bay Program completed its reevaluation of its Basinwide Toxics Reduction Strategy in order to better understand the impact toxics have on the Bay's resources. The Strategy was further refined, rewritten and signed by the Executive Council in 2000 – the Toxics 2000 Strategy.**

In July 1994, high-level federal officials from 25 agencies and departments signed the *Agreement of Federal Agencies on Ecosystem Management in the Chesapeake Bay*. The historic agreement outlined specific goals and commitments by federal agencies on federal lands throughout the watershed, as well as new cooperative efforts by federal agencies elsewhere. **The 1994 Federal agreement was built and upon and expanded in 1998 with the signing of the Federal Agencies Comprehensive Ecosystem Unified Plan (FACEUP), which had specific numerical goals for Federal agencies and Federal lands.**

After more than a year in the making, the Chesapeake **Executive Council** came together **on** June 28, 2000, to sign a historic new agreement. The *Chesapeake 2000* agreement lays the foundation and sets the course for the Bay's restoration and protection for the next decade and beyond. In addition to the commitment to continue to meet goals set forth by previous agreements, this new agreement lays out five goals: (1) Living Resource Protection and Restoration; (2) Vital Habitat Protection and Restoration; (3) Water Quality Protection and Restoration; (4) Sound Land Use, and (5) Stewardship and Community Engagement. Each goal provides specific target dates and measurable objectives to achieve better results for a cleaner, more productive Bay (see Attachment 1).

The governors of New York and Delaware committed to the water quality goals of the *Chesapeake 2000* Agreement by signing a multi-jurisdictional Memorandum of Understanding (MOU) with the EPA, Pennsylvania, Maryland, Virginia and the District of Columbia in 2000. West Virginia signed on to the MOU in 2002.

In addition to these agreements, each year the Chesapeake Executive Council meets to reaffirm its commitment to the restoration of the Chesapeake Bay, **sometimes signing, new Directives and/or Adoption Statements** (they can be found at [www.chesapeakebay.net](http://www.chesapeakebay.net)). **The Executive Council most recently met on December 5, 2007, and each Member agreed to accelerate implementation, in part by becoming a “champion” on specific issues and to share their experiences and knowledge with each other. Issues ranged from engaging local**

**governments to reduce impacts from development to reducing nutrient impacts from biofuels. The Council also adopted a new goal to permanently protect an additional 696,000 acres of forests throughout the Bay watershed.**

As a means to achieve these goals and commitments, the U.S. EPA awards assistance agreements (grants/cooperative agreements) to state water pollution control agencies, interstate agencies, other public or nonprofit agencies, institutions, organizations and individuals. For more complete information on eligibility, see the Assistance Agreement Guidance, A. Authority section, pp 6-7. The type of projects awarded range from the monitoring of bay grasses to environmental education. These projects have helped support the commitments set forth since the historic *1983 Chesapeake Bay Agreement* to the current *Chesapeake 2000* and will continue for the next decade and beyond.

**The Chesapeake Bay Program Link to EPA's Strategic Plan is Goal 4: Healthy Communities and Ecosystems, Objective 4.3: Ecosystems, Sub-objective 4.3.4: Improve Aquatic Health of the Chesapeake Bay. To better implement the goal of Chesapeake 2000 agreement by 2011, EPA established strategic targets to prevent pollution and protect aquatic systems so that the overall health of the Chesapeake Bay ecosystem is improved. The strategic targets are as follows:**

- **SP-33: By 2011, achieve 45 percent (83,250 acres) of the 185,000 acres of submerged aquatic vegetation necessary to achieve Chesapeake Bay water quality standards.**
- **SP-34: By 2011, achieve 40 percent (29.92 km<sup>3</sup>) of the long-term restoration goal of 100 percent attainment of the dissolved oxygen water quality standards in all tidal waters of the Bay.**
- **SP-35: By 2011, achieve 59 percent (95.88 million pounds) of the implementation goal for nitrogen reduction practices necessary to achieve Chesapeake Bay water quality standards, expressed as nitrogen reduction in relation to achieving a 162.5 million pound reduction from 1985 levels (based on long-term average hydrology simulations).**
- **SP 36: By 2011, achieve 74 percent (10.63 million pounds) of the implementation goal for phosphorus reduction practices necessary to achieve Chesapeake Bay water quality standards, expressed as phosphorus reduction in relation to achieving a 14.36 million pound reduction from 1985 levels (based on long-term average hydrology simulations)**
- **SP 37: By 2011, achieve 74 percent (1.25 million tons) of the implementation goal for sediment reduction practices necessary to achieve Chesapeake Bay water quality standards, expressed as sediment reduction in relation to achieving a 1.69 million ton reduction from 1985 levels (based on long-term average hydrology simulations).**

## **INTRODUCTION TO THE GUIDANCE DOCUMENT**

This guidance document has been developed to assist applicants for assistance agreements (grants and cooperative agreements) to support the Chesapeake Bay Program goals. This guidance has been revised to incorporate requirements and explanations of new and existing EPA Orders **and Directives**. Excerpts from new and recently revised EPA Orders **and Directives** that require this guidance to be updated are as follows:

"EPA Order 5700.8, Policy on Assessing Capabilities of Non-Profit Applicants for Managing Assistance Awards, effective March 24, 2005". A non-profit organization's administrative capability is reviewed after the Request for Proposal evaluation process is complete, and after the selection recommendation has been made. Non-profit applicants that are recommended for funding will be subject to pre-award administrative capability reviews consistent with Sections 8b, 8c and 9d of EPA Order 5700.8. A link to this Order is located at: [http://www.epa.gov/ogd/grants/award/5700\\_8.pdf](http://www.epa.gov/ogd/grants/award/5700_8.pdf)

The Order, in Section 7(c), defines non-profit organizations as any corporation, trust, association, cooperative, or other organization which: (1) is operated primarily for scientific, educational, service, charitable or similar purposes in the public interest; (2) is not organized primarily for profit; (3) uses its net proceeds to maintain, improve, and/or expand its operations; and (4) is subject to 40 CFR Part 30. The term does not include: colleges and universities as defined under Office of Management Budget (OMB) Circular A-21; State, local and federally-recognized Indian Tribal governments; hospitals; and organizations considered as similar to concerns under Attachment C to OMB Circular A-122. Applicable staff in the EPA Grants and Chesapeake Bay Program offices and the non-profit applicant will coordinate their efforts to assure that the requirements of EPA Order 5700.8 are met.

"EPA Order 5700.7, Environmental Results under EPA Assistance Agreements, effective January 1, 2005 established new Agency policy/procedures for awarding assistance agreements. This policy was established for making assistance agreements 1) more results-oriented and aligned with EPA's Strategic Plan; 2) ensure that outputs and outcomes are appropriately addressed in assistance agreement competitive funding announcements, work plans and performance reports (quarterly; semi-annual; draft; and final); and 3) consider how the results from completed assistance agreement projects contribute to the Agency's programmatic goals and objectives." The recipient and the Project Officer will coordinate their efforts to assure the programmatic work plans and performance reports meet the requirements of EPA Order 5700.7.

"EPA Order 5700.5A1, Policy for Competition of Assistance Agreements, effective January 15, 2005 establishes the EPA policy and requirements for the competition of assistance agreements." This EPA policy promotes competition to the maximum extent practicable in the award of assistance agreements. Applicable EPA staff involved in the preparation of the Requests for Proposals (RFP) and selection process must adhere to the requirements of this Order.

"EPA Order 5700.6A2 **CHG 2**, Policy on Compliance, Review, and Monitoring, effective January 1, 2008 " **restates and establishes EPA standards for the oversight, monitoring, and closeout of EPA assistance agreements (grants and cooperative agreements)**". The purpose of monitoring is to provide for the effective oversight of recipient performance and management. It is the Project Officer's responsibility with recipient participation to conduct monitoring reviews and to review interim (quarterly; semi-annual; final) performance reports during and at **closeout** of the assistance award. **This Order replaces, rescinds, and supersedes EPA Order 5700.6A1, "Policy on Compliance, Review and Monitoring," and GPI-92-04, "EPA Closeouts Policy for Grants and Cooperative Agreements"**.



**“Subaward Policy, effective May 15, 2007, requires all new awards and supplemental amendments awarded on or after May 15 must meet the requirements of the Directive. The purpose of this Directive is to strengthen the management of subawards made by recipients under EPA assistance agreements (grants and cooperative agreements). Areas addressed include the establishment of an administrative national term and condition, eligibility, special considerations for specific types of subawards, subaward competition, and distinctions between procurement contracts and subawards. The EPA Project Officer is responsible for reviewing proposed subaward work specified in an assistance agreement application work plan, or work plan changes requiring prior approval, in order to ensure compliance with the Subaward Directive and in accordance with cost review guidance provided/approved by EPA Headquarters Office; ensuring that proposed subaward work is for an authorized assistance purpose and not to acquire goods and services for use by the recipient; obtaining necessary Headquarters consent for work to be performed in a foreign country or any work by a foreign recipient or international organization; and informing the recipient of any program-specific restrictions or statutory restrictions on subawards.”**

In the past, this Guidance document has been provided to potential applicants on an annual basis. To reduce paperwork and the need for an annual review, starting in Fiscal Year 2005, this guidance is being revised and redistributed periodically as legislative, regulatory, or other changes need to be incorporated. The EPA Chesapeake Program Office hopes that this will make this process easier for all applicants. **This Guidance is posted on the following website:** <http://www.epa.gov/region03/chesapeake/grants.htm>

### **COMPETITION PROCESS**

Effective January 15, 2005, EPA Order 5700.5A1, Policy for Competition of Assistance Agreements, establishes EPA policy and requirements for the competition of assistance agreements. The authority for this Order is the Federal Grant and Cooperative Act of 1977, as amended, 31 U.S.C. 6301(3).

Effective October 1, 2006, grants.gov is available for electronic submission of proposal/applications under competitive announcements issued by the Chesapeake Bay Program Office (CBPO). CBPO's competitive grant announcements (RFPs) will include appropriate instructions on how to submit through grants.gov. Hard copy and email submission directly to CBPO are still allowed. Please follow the instructions in the RFPs for specific submission guidance.

The EPA employs several mechanisms to promote an open and competitive process in support of the Federal Grant and Cooperative Agreement of 1977, which “encourages” Agency managers to seek out competition in the selection of recipients of Assistance Agreements. The EPA CBPO competes funds through Requests for Proposals (RFPs) for (1) single year activities to support priorities or (2) multi-year activities to support CBP functions or priorities. **Due to budget limitations, EPA CBPO is not issuing RFPs on a regular basis.**

### *Single-Year Activities*

Each Spring, EPA CBPO **may** announce the RFP for single- year activities through e-mails, mailings, and website postings. These requested proposals are in support of the *Chesapeake 2000 Agreement*, all Chesapeake Bay Agreements and Executive Council Directives and Adoption Statements. The goal is to solicit proposals that further the protection and restoration of living resources, vital habitat and water quality, the promotion of sound land use practices and the engagement of individuals and communities throughout the Chesapeake Bay watershed.

### *Multi-Year Activities*

The intent of the EPA CBPO is to provide grants/cooperative agreements for related activities that have been grouped together for effective delivery through a multi-year grant competition process. The multi-year RFPs that **may be** issued will be competed and awarded for a period of up to five years. EPA intends to continue this approach since it balances the need for competition with the benefit of continuity.

If you are interested in receiving any of the above RFPs, please contact EPA CBPO at 1-800-YOUR-BAY (968-7229) and request to be added to the RFP database. Your Project Officer can answer any questions you have regarding this competitive process. All of CBPO's RFPs are posted on the following website: <http://www.epa.gov/region03/chesapeake/grants.htm>

## **ASSISTANCE AGREEMENT GUIDANCE**

Applying for assistance agreements involves the development of a work plan, filling out a federal application and certifications and providing budget information. This guidance contains the following sections:

### **A. AUTHORITY**

This section describes the legal authorization that allows EPA to provide these funds to organizations.

On November 7, 2000, the President signed the Estuaries and Clean Waters Act of 2000, which includes Title II-Chesapeake Bay Restoration (see Attachment 2). This Act amends Section 117 of the Federal Water Pollution Control Act (Clean Water Act) and establishes new authorities for the Chesapeake Bay Program. These new legal authorities specify the type of work that can be performed with the funds appropriated for the Chesapeake Bay Program, the type of funding vehicles (e.g., assistance agreement) that can be used, and the type of organization eligible to receive funding. The purposes of these amended authorities are: (1) to expand and strengthen cooperative efforts to restore and protect the Chesapeake Bay; and (2) to achieve the goals established in the Chesapeake Bay Agreement. The term "Chesapeake Bay Agreement" means the formal, voluntary agreements signed by the Chesapeake Executive Council and executed to achieve the goal of restoring and protecting the Chesapeake Bay ecosystem (e.g., the *1987 Chesapeake Bay Agreement*, *Chesapeake 2000* agreement, various Executive Council directives, etc.).

Section 117(g)(2)(A) authorizes the Small Watershed Grants Program which provides grants to local governments, nonprofit organizations and individuals in the Chesapeake Bay region working on a local level to protect and improve watersheds, while building citizen-based resource stewardship. The purpose of the grants program is to demonstrate effective techniques and partnership-building to achieve Chesapeake Bay Program objectives at the small watershed scale. The Small Watershed Grants Program has been designed to encourage the sharing of innovative ideas among the many organizations wishing to be involved in watershed protection activities.

Section 117(e) authorizes EPA to award grants to signatory jurisdictions, specifically for **Signatory Jurisdiction** Implementation and Monitoring Grants. The Implementation Grants are for the purpose of implementing the management mechanisms established under the Chesapeake Bay Agreement, such as ongoing state programs for control and abatement of non-point source pollution (including atmospheric deposition as a non-point source). The Monitoring Grants are for the purpose of monitoring the Chesapeake Bay ecosystem. These grants can be awarded non-competitively to any signatory jurisdiction that has or will have signed the Chesapeake Bay Agreement

All other Technical Assistance and Assistance Grants under Section 117(d)(1) will be awarded competitively to nonprofit organizations, State and local governments, colleges, universities, and interstate agencies to implement the goals of the Chesapeake Bay Agreements; such as activities to support **State Headwater grants**, living resource protection and restoration; vital habitat protection and restoration; water quality protection and restoration; sound land use; and stewardship and community engagement

## **B. APPLICATION REQUIREMENTS**

This section lists all the required documentation and information needed to provide EPA with a complete application. It includes time frames, contacts and address information.

A complete assistance agreement application must be submitted to the Grants and Audit Management Branch (3PM70), U.S. EPA Region III, 1650 Arch Street, Philadelphia, PA 19103-2029 with a copy to the Project Officer. As an alternative, grant recipients may submit their completed assistance agreement application through grants.gov. If you would like to submit your application through grants.gov, please contact Veronica Kuczynski at [kuczynski.veronica@epa.gov](mailto:kuczynski.veronica@epa.gov) (410-267-5743) for further instructions. For new awards, the application must be submitted for review at least 90 days before the proposed start date and 60 days before the proposed start date for continuation awards or amendments. State and Local Governments receiving assistance under any of the provisions of Section 117 must comply with 40 CFR Part 31 and all other applicants must comply with 40 CFR Part 30. An electronic version of the application, application forms and checklists can be found on the Internet at: <http://www.epa.gov/ogd/>. Office of Management & Budget Circulars may be found at: <http://www.whitehouse.gov/OMB/circulars>

A complete application must include the following components to be considered for review:

1. Transmittal letter signed by the applicant
2. Standard Form (SF) 424 - with Intergovernmental Review (Executive Order 12372 Process) documented by date and original signature of authorized representative
3. SF 424-A
4. Budget detail
5. SF 424-B
6. A fully descriptive work plan, which includes:
  - A) Work Plan Content Narrative (see Attachment 3A for Sample Work Plan Content for Section 117 (d) and Monitoring Grants and Attachment 3B for Sample Work Plan Content for **Signatory Jurisdictions Implementation and Headwater States' Grants**;
  - B) Funding by *Chesapeake 2000* Goals Form; (see Attachment 4)
  - C) Progress Report Narrative Template for 117 (d) and Monitoring Assistance Agreements (See Attachment 5 A - Blank Form and Sample) and Progress Report Narrative Template For **Signatory Jurisdiction Implementation And Headwater State Grants** (See Attachment 5 B - Blank Form and Sample)
7. **Quality Management and Quality Assurance Project Plans – required if proposal accepted. (see Attachment 7).**
8. Current indirect cost agreement - must use lower indirect cost rate if staff are on-site at EPA Chesapeake Bay Program Office
9. Certification Regarding Lobbying
10. SF LLL (Disclosure of Lobbying Activities)
11. EPA Form 5700-49 Debarment/Suspension Certification
12. EPA Form 4700-4 Pre-award Compliance Review Report
13. Administrative Cap Worksheet (see Attachment 10)

Any incomplete application may delay processing. In addition, the recipient can expect an award after all administrative and programmatic issues are resolved and the State Intergovernmental Review comment period has been met. Grant awards or amendments for additional funding will not be approved by EPA until all deliverables from previous or current grants are completed, unless a specific written agreement to complete all previous overdue deliverables has been approved by the Project Officer prior to the proposed award date.

### C. WORK PLAN

This section describes what is expected in the work plan of an application.

On January 1, 2005, EPA issued a new Order 5700.7. The Order states that an Assistance Agreement work plan must be negotiated to ensure that the Work Plan contains well-defined outputs and, to the maximum extent practicable, well-defined outcomes. Definitions of output and outcome are as follows:

- a. "Output" means an environmental activity, effort, and/or associated work products related to an environmental goal or objective that will be produced or provided over a

period of time or by a specific date. Outputs may be quantitative but must be measurable during an assistance agreement-funding period.

b. "Outcome" means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental programmatic goal or objective. Outcomes may be environmental, behavioral, health-related or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement-funding period.

For all proposals competed through the Chesapeake Bay Program, the Work Plan should include original proposal language and format (unless there are changes to the scope agreed to by the Project Officer and the grantee, in writing). If an assistance agreement application contains more than one competed proposal, an introductory paragraph should describe the overall strategy your organization has developed for completing all of the tasks. Additionally, for any proposals associated with the multi-year grants (e.g., local government, small watershed, communications, etc.) the Work Plan should provide information on the connection between each proposed project and the Chesapeake Bay Program goals and objectives set forth in the Chesapeake Bay Agreement. Prior to approving an assistance agreement work plan, the Agency's Project Officer must ensure that they can link the work plan to EPA's Strategic Plan. Currently the Chesapeake Bay Program has one link to EPA's Strategic Plan, which is Goal 4: Healthy Communities and Ecosystems; Objective 4.3: Ecosystems; and Sub-objective 4.3.4: Improved Aquatic Health of the Chesapeake Bay. This link information must be used wherever it is needed when completing your application and performance reports (quarterly, semi-annual, final).

The Work Plan consists of three parts: 1) Work Plan Content; 2) *Chesapeake 2000* Funding Goal; and 3) Work Plan and Progress Made Performance Results Under Assistance Agreements Form. Explanation of each part is as follows:

## **1. Work Plan Content**

### *a. 117(d) and Monitoring Assistance Agreements*

Grant recipients submitting Work Plans under Section 117(d) and Monitoring Grants should follow this sample (see Attachment 3A). Work Plan Content includes: a) an Introduction (background of your Organization and historical perspective, if any, of work contributing to the restoration of the Chesapeake Bay); b) For each Objective, Work Plan information pertaining to objective goal, supported *Chesapeake 2000* goal, description of project, specific activities and/or outcomes, projected timeline for completion of activities (including a schedule for completion of activities), deliverables (outputs) under objective, anticipated outcomes, evaluation criteria, and link to EPA's Strategic Plan.

### *b. Signatory Jurisdiction Implementation and Headwater State Grants*

Grant Recipients submitting Work Plans for Signatory Jurisdiction **Implementation** and **Headwater State Grants** should follow this sample (see Attachment 3B): Work Plan Content

includes: a) an Introduction; b) General Information; c) Objectives/Projects [title, budget amount, *Chesapeake 2000* goal(s) supported, objective goal statement, description, history, tasks, outputs (project deliverables), outcomes (linked to *Chesapeake 2000* and tributary strategy goals) and link to EPA's strategic plan]; d) Budget Detail; e) Summary of Staff Funded; and f) a Deliverables Chart.

The Work Plan must include a narrative identifying all state and federal funding programs used to address nutrient related activities within the Chesapeake Bay Watershed, and the linkages between these funding sources and the objectives/projects funded through the Implementation **and Headwater State Grants**. This narrative must identify the state and federal point and non-point source programs that are available to fund the jurisdiction's nutrient and sediment reduction efforts and explain how each program is used to address tributary strategy activities. Examples of state and federal programs include, but are not limited to: (1) Clean Water Act, Section 319, Section 104(b)(3) or 106; (2) State Revolving Funds, (3) USDA EQIP and Conservation Reserve (CRP) Programs, (4) State Conservation Reserve Enhancement Program (CREP), and (5) Coastal Zone Management Act Amendments, Section 6217.

The Work Plan should focus on those objectives/projects that achieve the goals and milestones contained in both the *Chesapeake 2000* Agreement and the tributary strategies. For outcomes related to tributary strategies, please include estimates of reductions in nutrient loads resulting from their implementation, where appropriate. Additionally, each objective/project outcome must link to the specific *Chesapeake 2000* goal(s) being achieved and the amount of funds being allocated to them. If the Work plan contains long term objectives/projects that exceed one grant cycle, additional information is required. The applicant must provide information on what will be accomplished during the current grant cycle, if the objective/project is on track, the ultimate goal of the objective/project and what has been completed in previous years. It is encouraged that progress on previous objectives/projects be provided in table form, if applicable.

## **2. *Chesapeake 2000* Funding Goal**

*Chesapeake 2000* Funding Goal information is provided by completing the template form in Attachment 4 and include as part of the Work Plan. The program total should match the requested federal funds from EPA. Do not include EPA In-Kind or Match.

## **3. Work Plan and Progress Made Performance Results Under Assistance Agreements Form**

The Work Plan and Progress Made Performance Results Under Assistance Agreements Form (see Attachments 5A and 5B) must be completed and be part of the work plan. Attachments 5A and 5B provide a template for your use. This form enables the recipient to document the outputs and outcomes that are included in the application Work Plan. Also, this form will be instrumental in linking work plans to EPA's Strategic Plan and providing progress made after the assistance award is approved. The electronic copy of this completed form sent with your application will continually be used during the project to make any revisions to work plan, if necessary, with the Agency's Project Officer approval and to report on progress of deliverables and performance. Using this Form will hopefully eliminate the need to repeatedly type the same

information each time an interim (quarterly or semi-annually) performance report is due. *This form must be completed and submitted with all Work Plans.*

#### **D. ADDITIONAL REQUIREMENTS SPECIFICALLY FOR SIGNATORY JURISDICTION IMPLEMENTATION AND HEADWATER STATE GRANTS**

It is assumed that the results achieved by coordinating Chesapeake Bay Program **Implementation and Headwater State** Grant activities with other available state and federal programs produces cost effective solutions that meet the current nutrient and sediment reduction cap load allocations and *Chesapeake 2000* goals. The expenditure of public funds requires the ability to justify continuation of the program through a periodic cost effectiveness evaluation. Currently, the accepted accounting measure for justifying fund expenditures uses non-point source BMP implementation, point source and other nutrient reduction activity information as input data for CBPO Watershed Model (WSM) annual progress runs.

##### **1. Data Submission Schedules**

**Annual progress reporting is a deliverable of this grant. Grant recipients are expected to provide point source and non-point source progress data on the following schedule:**

December 31, 2008: Data from **July 1, 2007 – June 30, 2008**

This schedule **may** not apply to the Commonwealth of Virginia which **may** submit its data in accordance with the Nutrient Allocation Compliance and Reporting requirements under Section 62.1-44.19:18 of the Virginia Code. Those data that are submitted to the CBPO are expected to be complete, quality assured, and in proper format for immediate processing in a CBPO WSM annual progress scenario. See Attachment 6 for data specifications and requirements.

##### **2. Tributary Strategy Implementation Plan**

A joint EPA-USDA Evaluation Report (Saving the Chesapeake Bay Watershed Requires Better Coordination of Environmental and Agriculture Resources, EPA OIG Report No. 2007-P-00004; USDA OIG Report No. 50601-10-Hq) issued on November 20, 2006, recommended that EPA/CBPO “Include development of [tributary strategy] implementation plans as a special condition in Chesapeake Bay Program grant agreements for States that have not submitted an implementation plan” (p.44). This Report can be found at [www.epa.gov/oig/reports/2007/20061120-2007-P-00004.pdf](http://www.epa.gov/oig/reports/2007/20061120-2007-P-00004.pdf) EPA management agreed with this recommendation. Therefore, any **signatory jurisdiction implementation or headwater state grant** that does not have an approved tributary strategy implementation plan is directed to work directly with its Project Officer to assure that any missing elements of tributary strategy implementation **and headwater state** plans are incorporated into its Work Plan. Detailed information on developing tributary strategies will be negotiated with the Project Officer.

All grant recipients should submit a complete grant application to the Grants and Audit Management Branch, (3PM70) 1650 Arch Street, Philadelphia, PA, 19103, with a copy to the project officer. For Maryland, Virginia and Pennsylvania, if the application is received by April

11, the applicant can expect an award by July 1 of that calendar year, assuming that all administrative and programmatic issues have been resolved. For the District of Columbia only: In order for the grant to be awarded by October 1, a complete application should be received by July 1 following the same procedure outlined above. Delaware, New York and West Virginia should submit their assistance agreement 60 days prior to the end of their current grant's Budget Period.

### **3. Wetland Data**

**Maryland, Pennsylvania and Virginia each signed a Trading Partner Agreement (TPA) for the exchange of non-point source best management practice data as part of EPA's National Environmental Information Exchange Network (NEIEN). Submission of wetland data for restoration (re-establishment) and creation (establishment) of wetlands should follow the published schema referenced in the TPA, and include additional variables to report wetland protection, enhancement, and rehabilitation projects, the land cover (non-tidal emergent, non-tidal shrub, non-tidal forested, non-tidal other, and tidal) and wetland drainage area. Signatory and headwater states and the District of Columbia will submit this information as a deliverable of this grant according to the Data Submission Schedules identified in item 1 above.**

### **E. QUALITY ASSURANCE**

This section describes specific technical documentation and reporting requirements for assistance agreements that involve the collection or use of environmental data. This includes a description of Quality Management Plans and Quality Assurance Project Plans.

All grants and cooperative agreements that involve the collection and/or use of environmental data must provide documentation of the recipient's quality assurance policies and practices (Quality Management Plan) as well as the detailed quality assurance and quality control procedures and specifications (Quality Assurance Project Plan). Environmental data are defined as direct measurements of environmental conditions or releases, such as sample collection and analysis. Environmental data also include data collected from secondary sources of information, such as computer databases, computer models, literature files and historical databases. **Within the Chesapeake Bay Program, direct measurements are collected for surface water, sediment, atmospheric, living resource, and remotely-sensed data. Pre-existing data used to assess the efficiency of implemented management practices (BMPs) and for environmental model development, calibration, verification, and application are also subject to quality assurance requirements.**

The recipient must work with the Project Officer in advance of submission of an application to determine the need for development and schedule for submission of a Quality Management Plan and Quality Assurance Project Plans. **Quality assurance documents must be approved by EPA prior to the initiation of data collection activities.**



## **1. Quality Management Plan**

In accordance with federal requirements (40 CFR 30.54 and 31.45), the recipient must develop and implement management policies and practices that result in data of adequate quality to meet program objectives. These policies and practices must be documented in a Quality Management Plan. The Quality Management Plan should be prepared in accordance with the EPA requirements. Responsibilities for development of Quality Management Plans, specific guidance and requirements for their development, and schedules for their submission, review and approval are described in more detail in Attachment 7.

## **2. Quality Assurance Project Plan**

When the recipient is performing the environmental data collection activity, such as direct measurements, data collection from other sources, or data compilation from computerized data bases and information systems, a Quality Assurance Project Plan must be submitted to the Project Officer along with the draft application or listed as a deliverable to be received at least 30 days prior to the initiation of each data collection or data compilation activity. Responsibilities for development of Quality Assurance Project Plan, specific guidance and requirements for their development, schedules for their submission, review and approval are described in more detail in Attachment 7.

## **F. DELIVERABLES**

This section describes what specific requirements are needed to produce and submit deliverables.

### **1. Progress and Final Report Deliverables**

Quarterly or semi-annual and final progress reports are document deliverables that must be included in each Work Plan and comply with EPA Order 5700.7, Environmental Results for Assistance Agreements. These reports must contain a Project Narrative that documents the progress made in achieving the objectives of project work plans as presented in the application. Each report will contain 1) a comparison of actual accomplishments with the anticipated outputs/outcomes; 2) reasons why anticipated outcomes were exceeded or not met; 3) problems encountered during the performance period, which may interfere with meeting program/project objectives; 4) if applicable, proposed remedies; 5) information on the rate of expenditure versus progress on the project; 6) if applicable, information on equipment purchased during the reporting period; and 7) additional pertinent information, including, when appropriate, analysis and information of cost overruns or high unit costs or unanticipated economics.

As stated in EPA Order 5700.7, the Agency's Project Officer must assure and evaluate that interim (quarterly or semi-annual) and final performance reports submitted by the recipients under 40 C.F. R. Sections 30.51 and 30.71 (Non-Profit Organizations & Universities), and

interim and final non-construction grant performance reports submitted by recipients under Sections 31.40 and 31.50 (i.e., Monitoring and Reporting Program Performance and Closeout, respectively for State and local governments), adequately address progress in achieving agreed-upon outputs and outcomes. This includes, where necessary, ensuring that performance reports provide a satisfactory explanation of why outcomes or outputs were not achieved.

Attached to the semi-annual or quarterly reports should be an updated Work Plan and Progress Made Performance Results Under Assistance Agreements Form that was submitted with your application. The Progress Report and Work Plan and Progress Made Performance Results Under Assistance Form will enable the Project Officer to determine if the recipient is fulfilling its obligations as outlined in the Work Plan and assess the quality of the data (determine if the data have met or exceeded the level of quality specified for the needs of the project).

A comprehensive schedule for submittal of quarterly progress, milestones, quality management plans, quality assurance project plans, data, information, and document deliverable submissions, and final reports is required within the Work Plan. The recipient agrees to deliver to EPA all products by the dates outlined in the work plan accompanying the application, following the procedures described in the Work Plan and the most recent approved version of the applicable quality assurance project plans. The recipient will deliver to EPA all deliverables resulting from all programs (federally funded and non-federal match) described within the Work Plan.

## **2. Data/Information and Document Deliverables**

The Chesapeake Bay Program has adopted a comprehensive set of guidelines and policies addressing the management and submission of data, information and documents. **Data, information and documents must be submitted electronically in a format identified in Attachment 8 unless otherwise stipulated in the Work Plan. The Work Plan must describe the data and information management procedures to be followed to ensure the quality and timely delivery of data and/or information.** Specifically, the Work Plan must describe the plan for adhering to the Chesapeake Bay Program data management guidelines as documented in Attachment 8. Please refer to Attachments 8 and 9 for additional policies and guidelines, as well as specific formatting information for deliverables

In select cases when electronic submission of a deliverable is not possible, the recipient and the Project Officer will determine in advance and clearly document in the final Work Plan the exact format for submission of the deliverables. Electronic deliverables can include reports, graphics, spreadsheets, imagery, data files, audio, and digital video products. More detailed guidance regarding formats for submission of electronic deliverables is provided in Attachment 8.

Deliverables that are videos or printed material meant for the public, such as brochures, fact sheets, or publications, should have the CBP logo and a short narrative statement stating that the publication was funded in part through a grant/cooperative agreement from the EPA CBPO. These items, once finalized, are to be a deliverable within the Work Plan.

All data and information generated through the funds awarded by the U.S. EPA whether direct CBPO funding or indirect cost sharing, is public information and shall be made available to the public, unless there is a grant/cooperative agreement condition that specifies otherwise.

## **FINANCIAL**

This section provides information regarding cost share requirements, in-kind calculations for EPA on-site grantees, and information regarding the Financial Status Report requirements.

### **A. COST SHARE REQUIREMENTS**

As stated previously, the Chesapeake Bay Program is funded under the Clean Water Act, Section 117. State and Local Governments receiving assistance under any of the provisions of Section 117 must comply with 40 CFR 31.24 and all other applicants must comply with 40 CFR 30.23. EPA requires assurances that cost share funds are being spent for activities such as staff working on bay related projects, or other projects in direct support of the Chesapeake Bay Agreements. Cost share sources must be from non-federal sources. In-kind services, such as volunteer hours can be used in lieu of a cash match. The rates associated with these volunteer hours must be similar to those of related work efforts and be approved by your Project Officer.

Signatory jurisdictions applying for implementation and monitoring grants under Section 117(e) must identify 50% cost share of total project costs (equal match/dollar for dollar). **All applicants applying for grants under Section 117(d)(1) must commit to a cost share ranging from 5 to 50 percent, as determined at the sole discretion of EPA. This determination will be made on a grant-by-grant basis and EPA will promptly inform the applicant of the selected cost share. This information will be stated in Request for Proposals (RFPs) or Agency policy.** Applicants applying for small watershed grants under Section 117(g)(2) must commit to a cost share of 25% of the total project cost. All other applicants applying for grants under Section 117 must commit to a cost share of 5% of the total project costs. EPA will seek assurances that the flow of the project funds will not be impeded by loss of personnel or services during the course of the project period.

In addition to the cost share requirement, recipients must adhere to the requirement in the Clean Water Act, Section 117 - "Administrative Costs". This section requires a 10% cap for administrative costs. The cost of salaries and fringe benefits incurred in administering the grant **shall not** exceed 10% of the Federal grant amount. Recipients are required to submit a completed Administrative Cost Cap Worksheet with their application (Attachment 10).

**Any changes to the administrative cost percentage will be based on EPA determination and will be stated in the Request for Proposal (RFP).**

### **B. EPA IN-KIND**

The dollar value associated with providing space, supplies, etc., for grantees located on-site at EPA is considered EPA In-Kind. If your grant/cooperative agreement supports staff housed at

the EPA Chesapeake Bay Program Office, the project budget within your application must include the cost to house the employee(s) at the EPA office. When calculating the cost share requirements, the total value that would be cost-shared is the EPA in-kind and the federal share combined. Contact your Project Officer to obtain the EPA in-kind dollar amount.

### **C. FINANCIAL STATUS REPORT (FSR)**

A FSR (SF 269 or 269A) is required 90 days after the close of the budget period. If the budget period is longer than one year, an interim FSR is required at the end of each year. Cost share ratios stated in the application and budget must be included in the final FSR.

### **POST AWARD MONITORING**

After the assistance award is approved, the Project Officer must ensure that Federal funds are being spent appropriately. To do this, the Project Officer must: 1) review the progress reports and other work products to assure the recipient is fulfilling the obligations as outlined in the work plan, applicable regulations, and programmatic terms and conditions in the agreement; 2) conduct Mid-Year and Close-out monitoring reviews in accordance with EPA Order 5700.6; and 3) work with the EPA Grants Office to make modifications as needed to the assistance agreement based on the recipient's request and EPA's discretion.

It is important to get changes to the assistance agreements in writing. A recipient's written request for a change must be accompanied by a narrative justification for the proposed revision, and must be submitted to the Project Officer. The Project Officer will then forward this change request to the Grants Office along with his/her recommendation for approval.

If a recipient materially fails to comply with the terms and conditions of an award, EPA may take one or more of the remedies for noncompliance found in 40 CFR 30.62 (Non-Profit Organizations and Universities) and 40 CFR 31.43 (State and Local Governments). The recipient will be notified in writing of the action taken, the reasons for the action, and the steps it must take to come into compliance.

### **CONCLUSION**

As you tackle the challenges of applying for assistance agreements, grants or cooperative agreements, through the Federal Government, we encourage you to call your project officer for assistance. Project officers are here to help you provide the best possible application. The ultimate goal is to support the restoration of the Chesapeake Bay **and the Watershed.**